

Accumulation of Funds and Establishing the Obligation Start Date

A PHA may accumulate adequate funds to undertake replacement housing for up to five years. The submission of a development proposal is used to establish the obligation start date when grants are being accumulated.

When a PHA decided to accumulate funds, the latest date that the PHA can submit a development proposal for its **first five years of RHF** funding is 90 days after execution of the RHF ACC by the HUD Field Office for the fifth year of RHF funding. A PHA may submit a development proposal earlier than that date, however, if it submits the development proposal after that time, the obligation start date will still be established as if the PHA had submitted the proposal by the latest possible permissible date.

[NEW] The latest date that a PHA can submit a development proposal for the **second five-year increment** of RHF funding, is 90 days after execution of the ACC by the HUD Field Office for the tenth year of RHF funding. Again, a PHA may submit a development proposal earlier than that date, however, if it submits the development proposal after that time, the obligation start date will still be established as if the PHA had submitted the proposal by the latest possible permissible date. **(This is a change from earlier RHF program practice)**

Second Increment Plan requirements

In order to be eligible for a second increment, a PHA must:

- 1) submit a new or revised second increment RHF plan by the deadline established by HUD for any new tier of RHF units entering second increment
- 2) leverage substantial additional funding from sources other than public housing fund
- 3) have approval for all required PHA Plans
- 4) be in compliance with statutory obligation and expenditure deadlines
- 5) have made substantial progress on its first increment RHF Plan.